

**Tennessee Higher Education Commission  
Performance Funding Advisory Committee  
2005-10 Performance Funding Cycle  
July 13, 2004**

*Minutes*

---

**I. Meeting Participants**

Performance Funding Advisory Committee Members

Augustus Bankhead (TSU), Kay Patterson (DSCC representing Peter Brown), Linda Doran (TBR), Dick Gruetzemacher (UTC) Sherry Hoppe (APSU), Robert A. Levy (UT), Susan Martin (UT), Leo McGee (TTU), Dan Poje (UoM), Mary McLemore (MSCC representing Arthur L. Walker, Jr.), and Ellen Weed (NSCC)

Commission Staff

Linda Bradley, Betty Dandridge Johnson, Erik Ness, and Brian Noland

Other Participants

Houston Davis (APSU) and Alex Gorbunov (THEC)

**II. Overview of Meeting**

Dr. Brian Noland provided a recap of the last two meetings of the Performance Funding Advisory Committee. During these meetings we have outlined current trends in performance funding and accountability. We have learned from national experts and taken the time to carefully examine critical issues related to the future sustainability of the program.

The Advisory Committee was reminded of the concerns from the legislative staff as it relates to graduation rates, transfer/articulation and the impact of the lottery scholarships.

The purpose of the meeting today was to provide a direction for the standards for the 2005-10 cycle. To facilitate this discussion, the Commission staff drafted standards for the 2005-10 performance funding cycle for consideration by the Advisory Committee.

**III. Discussion of Proposed 2005-10 Performance Funding Standards**

**STANDARD ONE – STUDENT LEARNING ENVIRONMENT AND OUTCOMES**

**Student Learning: General Education**

**10 points**

Overview: Preliminary discussions in the general education sub-committee indicate support for the continued utilization of standardized instruments, but with a shift in focus to critical thinking rather than content knowledge. Given the increasing call for public accountability of student learning outcomes, it is critical that Tennessee retain such instruments for the 2005-10 performance funding cycle.

Items for consideration:

- Unique testing options for two and four years institutions
  - Four year test options - CCTST, CBASE, Academic Profile, ACT CAAP, etc.
  - Two year test options – CCTST, Work Keys, etc.
- Potential utilization of NSSE and CSSE as supporting information for the standard
- Removal of pilot program as a self-standing element of performance funding

*Reaction: The Performance Funding Advisory Committee (PFAC) agreed that if critical thinking was the core area for general education then all institutions should utilize a common instrument such as CCTST to assess critical thinking. Brian Noland will discuss this with the General Education Subcommittee and also contact CCTST to negotiate statewide pricing.*

*The PFAC was in agreement that the general education pilot standard should be incorporated as an option in the proposed Assessment Pilot standard.*

### **Student Learning: Major Field Assessment**

**10 points**

Overview: Preliminary discussions in the major field assessment subcommittee indicate the need for a greater focus on the utilization of national licensure examinations, the annual reporting of all licensure exams, the integration of “other” assessments into the program review process, and the coordination and alignment of locally developed tests with other institutions in order to bring structure and commonality to the process.

Items for consideration:

- Integration of major field assessment as part of the program review process
- Formulation of locally developed testing guidelines
- Integration of locally developed tests with capstones
- Annual reporting of licensure exams
- Broader utilization of nationally norms and testing instruments

*Reaction: Overall, the PFAC was in agreement that major field assessment should be integrated as part of the program review process (or Academic Audit). By doing so, the focus would not only be on student’s performance but also the utilization of the major field results related to curriculum issues. The undergraduate program review checklist should be revised to incorporate the criteria regarding assessment in the major.*

*There was also consensus by the PAC re the formulation of guidelines for locally developed tests and annual reporting of licensure exams.*

### **Program Review and Accreditation**

**2 year 10 points**

**4 year 15 points**

Overview: Based upon prior discussions of the advisory committee, the staff recommends the requirement of common review cycles so that all institutions review programs in a timely fashion and the reduction of the point allocation for this standard in

order to facilitate a state-wide focus on other segments of the performance funding program.

Items for consideration:

- Variable review cycles for the universities (five versus seven years)
- Potential incorporation of the Academic Audit
- Review similar programs on a common, state-wide cycle

*Reaction: PFAC agreed that the variable review cycle for universities was appropriate due to the number of programs reviewed. University of Memphis and UT Knoxville will continue to review programs on a seven year cycle, whereas other universities and community colleges will review programs on a five year cycle.*

*Some consideration should be given to reviewing the general education program on a common, state-wide cycle.*

### **Assessment Pilot**

**10 points**

Overview: Given the diversity of assessments activities that are “required” by both systems, this standard would provide incentives for institutions to participate in these programs. The proposed standard would incorporate the existing general education pilot and offer opportunities for institutional flexibility within a prescribed range of assessments.

Items for consideration: The following activities represent potential assessments that could be included as part of the standard:

- “Traditional Assessments”
  - General education pilot focused on TBR general education core and the potential for a Tennessee specific instrument for 2010-15 cycle
  - Academic Audit
  - Others (CIRP, graduate student survey, faculty surveys, etc.)
- “Process Assessments”
  - Delaware Cost Study I and II and Kansas Study
  - National Community College Benchmark Project

*Reaction: Overall, the PFAC was in agreement of the necessity of the assessment pilot standard to allow institutions and governing boards the flexibility to explore various assessment initiatives.*

### **STANDARD TWO – STUDENT SATISFACTION**

**10 points**

---

Overview: Results from the THEC survey of performance funding stakeholders indicate broad interest in exploring the utilization of national surveys of student satisfaction and engagement. Given the national focus on this issue, and the current participation of several Tennessee institutions in the NSSE and CSSE surveys, the staff proposes that consideration be given to state-wide participation in both surveys.

Items for consideration:

- Student Satisfaction Survey - NSSE and CSSE (Years 1 and 4)
- Cost and response rate concerns with NSSE and CSSE
- Continue the current statewide Alumni Survey (Years 2 and 5) and align the instrument with questions from both NSSE and CSSE
- Continuation of Employer Survey during year three of the cycle

*Reaction: The PFAC was in agreement re the proposed surveys and timeline for the 2005-2010 cycle.*

### **STANDARD THREE – STUDENT PERSISTENCE**

**15 points**

#### **Retention Rates**

**5 points**

Overview: This standard would provide measures of student retention and success in the freshman year

Items for consideration:

- Freshman success rates – Students completing 24 credit hours with a GPA of 2.0 or higher by the end of their freshman year.
  - Scoring – At or above prior institutional performance (1 year vs. 3 year average)
- Fall to fall retention rates (overall) – Number of FTF who return at any level the following year.
  - Scoring – At/above prior institutional performance (1 year vs. 3 year average) or at/above SREB average by institutional classification.
- Fall to fall retention rates by race (African American) – Number of FTF who return at any level the following year.
  - Scoring – At/above prior institutional performance (1 year vs. 3 year average) or at/above SREB average by institutional classification

#### **Persistence Rates**

**5 points**

Overview: This standard would assess both timely progress to degree and six-year graduation rates

Items for consideration:

- Progress to degree (overall) – Number of FTF who return at any level four years later as measured through the DMC reporting process
  - Scoring – At/above prior institutional performance (1 year vs. 3 year average)
- Progress to degree by race (African American) – Number of FTF who return at any level four years later as measured through the DMC reporting process
  - Scoring – At/above prior institutional performance (1 year vs. 3 year average)

- Six year graduation rate (overall) – Number of FTF who graduated at any institution within six years.
  - Scoring – At/above prior institutional performance (1 year vs. 3 year average) or at/above SREB average by institutional classification
- Six year graduation rate by race (African American) – Number of FTF who graduated at any institution within six years.
  - Scoring – At/above prior institutional performance (1 year vs. 3 year average) or at/above SREB average by institutional classification

### **Retention and Persistence Planning Initiatives**

**5 points**

Overview: This standard would provide incentives for institutions to qualitatively improve and enhance retention and persistence rates. This standard could be similar to the format used by institutions in standard 4B (Assessment Implementation) – identify problem areas, plan, action steps, and report findings.

*Reaction: Overall, the PFAC was in agreement regarding the three components of the Student Persistence standard (<sup>1</sup> retention rates, <sup>2</sup> persistence rates, and <sup>3</sup> retention and persistence planning initiatives). The retention rate indicator should be expanded to include all students and consideration given to retention rates for all racial groups.*

*The PFAC recommended that the progress to degree (overall and African American) indicators should be omitted as an option. The six year graduation rate indicator has proven to be a stable indicator for assessing persistence rates.*

## **STANDARD FOUR – STATE MASTER PLAN PRIORITIES**

---

### **Access and Attainment**

**5 points**

Overview: The proposed THEC Master Plan for 2005-10 will focus on developing partnerships to address clearly defined areas of state-wide need. Given the desire to increase educational attainment levels and meet the human capital needs of Tennessee, especially for underserved regions of the state, the staff proposes the inclusion of measurable benchmarks, rather than broad-based planning goals as contained in prior cycles of performance funding.

Items for consideration:

- Increase number of students enrolled from at-risk counties in service area
- Increase number of minority students enrolled
- Increase number of adult learners (aged 25 and up) enrolled
- Increase number of overall degrees by level awarded
- Increase number of nursing graduates
- Increase number of graduates from allied health programs

### **P-16 Education**

**5 points**

Overview: One of the central components of the proposed THEC Master Plan for 2005-10 will be a focus on expanding the scope and activity of the state's regional P-16

councils. To facilitate this goal, the staff proposes the inclusion of measurable benchmarks for the 2005-10 performance funding cycle.

Items for consideration:

- Increase number of dual/concurrent enrollment
- Increase number of teacher education graduates (overall)
- Increase number of teacher education graduates in high need areas (math, science, special education, and foreign languages)
- Others (professional development, mentoring, curricula alignment, external funding)

*Reaction: The PFAC recommended that the State Master Planning Priorities (Access/Attainment and P-16 Education) be combined with the Strategic Planning Goals (institutional). Adult literacy should also be considered as an area within the access/attainment category. Involvement in P-16 councils should be considered as an area within the P-16 category.*

### **Transfer and Articulation**

**2 year 5 points**

**4 year 10 points**

Overview: Issues related to student transfer and articulation remains a central area of concern for Tennessee higher education. Given the pending implementation of the lottery scholarships and the proposed focus of the THEC Master Plan on community college access, the staff proposes the inclusion of measurable benchmarks for the 2005-10 performance funding cycle.

Items for consideration:

- University only measures
  - Number of transfers accepted
  - Success rates of all transfer students after 12 hours as evidenced through academic success (GPA over 2.0) and continued enrollment
  - Transfer survey/corrective actions
- Community college measures
  - Number of university parallel graduates enrolled in universities
  - Number of technology center graduates enrolled in community colleges

*Reaction: The PFAC recommended for the community colleges the number of technology center graduates enrolled in community colleges should be omitted as an option. Since there is no counterpart degree at the technology center like the AAS (university parallel) for the community colleges, this indicator would not be appropriate.*

### **Job Placement**

**2 Year – 10 points**

Overview: Results from the THEC survey of stakeholders indicate pronounced support for the continuation of this standard. Community college respondents overwhelming indicated the importance and usefulness of this standard as part of their respective institutional missions.

Items for consideration:

- Expansion of the scope of permissible waivers

*Reaction: The PFAC agreed that an appropriate percentage of permissible waivers should be included in the job placement standard.*

### **Strategic Planning Goals**

**5 points**

Overview: This standard is similar in form and function to the existing Standard 3A and is designed to provide incentives for institutions to evaluate progress toward specific goals contained in their institutional strategic plan. Institutions would develop a minimum of two and a maximum of five specific goals derived from their institutional strategic plan. Campuses would be encouraged to develop goals and benchmarks that would emphasize their mission distinctiveness.

These goals would be defined in quantifiable terms with measurable benchmarks for each year of the cycle. Baseline values would be established prior to the beginning of the cycle, with all goals being approved by both governing boards and Commission staff prior to the onset of the 2005-10 performance funding cycle.

*Reaction: Refer to previous comments regarding the state master planning priorities (page 6)*

### **STANDARD FIVE – ASSESSMENT OUTCOMES**

**10 points**

---

Overview: Results from the THEC survey of stakeholders indicate a diverse range of opinions related to the current structure and scope of Standard 4B. While campuses generally support the intent of the standard, serious concerns exist related to a host of items such as scoring, equitability, and the link to the SACS QEP criteria. The staff proposes that this standard be carried forward for the 2005-10 performance funding cycle, but with significant revisions to promote the incorporation of this standard into the SACS QEP process.

Items for consideration:

- Need to provide a more structured framework for the review process
- Delineate the focus of the standard so that activities are linked to the state goals of access, equity, and quality, and to campus activities that are linked to the SACS QEP process.
- Create unique review teams for community colleges (6 members) and universities (4 members), with the governing boards offering nominations for the review team
- Offer an annual honorarium for each member of the team throughout the cycle

*Reaction: Overall, the PFAC was supportive of providing a more structured framework for campus activities and the evaluation process but thought that the review teams should not receive honorarium for their participation in the review process.*